

MEMORANDUM FOR: See Distribution

FROM: Gary Scibona
Head of the Contracting Office

SUBJECT: **HCO Newsletter - March 2002**

Delegation of Procurement Authority

The Head of the Contracting Office is authorized to delegate Procurement Authority to individuals in Line Offices within the CASC Service area. The value of each transaction shall not exceed the delegated procurement authority limitation despite the type of procurement, including the placement of delivery orders against GSA Schedule Contracts, DOC contracts and other agency contracts.

Standard Form 281 Federal Procurement Data System, Summary Contract Action Report (SF281)

Offices with delegated procurement authority are required to submit the SF281 each quarter to Sharon Webster-Tyson. The report provides an accounting of all transactions and socio-economic award accomplishments for the quarter. The reports are due by the 5th day of the calendar month following the end of each quarter in the Fiscal Year.

Effective April 5, 2002, a copy of the purchase order log, showing all transactions made during the respective quarter, must accompany the SF281 summary report. EXHIBIT A, attached to this Newsletter, is an example of a purchase order log. At a minimum the log should include the following information:

- | | |
|-------------------------------|----------------------------------|
| • Date of Transaction | • Merchant Name |
| • Requisition Number | • Award Date |
| • Purchase Order Number | • Award Value |
| • Description of the Purchase | • Business Size (Small or Other) |

AMD monitors the field delegate's progress toward meeting the socio-economic goals, each quarter, using the data reported on the Standard Form 281. Field delegates are expected to meet or exceed the goals to the maximum extent possible. Purchase order folders for transactions awarded to large businesses must contain a written justification that explains why an award was not made to a small business.

The goals established by the Department for FY2002, which apply to NOAA, are as follows:

Small Business	52.0%
Minority Small Business	13.0%
8(a)	9.0%
Women Owned Business	9.0%
Hubzone Small Business	2.4%
Service Disabled Veteran Small Business	3.0%

Purchase Card Procedures

Training

GSA created a web-based, purchase card, training course that can be accessed at www.fss.gsa.gov/sebtraining/trainindocs/smartpaytraining. Cardholders and Approving Officials serviced by the Head of the Contracting Office (HCO) at CASC are required to complete the training and the quiz. A copy of the certificate, issued upon completion of the training, should be forwarded to Sharon Webster-Tyson, the Agency Program Coordinator (APC) by May 15, 2002. Failure to comply with this direction will result in the withdrawal of purchase card delegation and Approving Official appointment.

The HCO plans to establish a program by which all Cardholders and Approving Officials will be re-certified annually. More information on the re-certification process will be provided in a future Newsletter.

Individuals nominated to be new Cardholders and Approving Officials will not be delegated authority until the GSA web-based training course is completed and a certificate issued. A copy of the certificate must be attached to the Cardholder or Approving Official Set-Up Form submitted to the APC.

Cardholders and Approving Officials delegated a single purchase limit greater than \$2,500 are required to complete a 40-hour Simplified Acquisitions Training Course in addition to completing the web-based training. A minimum of 24-hours of training is required every five years to retain the delegation. Cardholders and Approving Officials are responsible for scheduling the training and providing the APC a certificate of completion. Failure to comply with this direction will result in the withdrawal of the purchase card delegation and the Approving Official appointment.

All Cardholders and Approving Officials are responsible for reading and understanding the

Purchase Card procedures published in the Commerce Acquisition Manual, Chapter 1313.301.

The Graduate School, USDA offers a course that provides an overview of the second edition of the Principles of Federal Appropriations Law. The course is intended to promote a basic understanding of appropriations law; the limitations governing the obligation of funds and the liability of federal and accountable officials. All employees in the CASC Service Area, but particularly Cardholders, Approving Officials, and any employees who have the authority to approve and expend funds, are encouraged to take the course.

Record Keeping

The Cardholder is responsible for recording each purchase on a Purchase Card Log. The description for each transaction must be detailed enough for a reviewer to determine what the Cardholder purchased. The following are examples of acceptable and unacceptable descriptions:

1. The purchase cardholder purchased plaques, frames for certificates and trophies for an award ceremony.

DESCRIPTION

Awards

→ UNACCEPTABLE

Plaques, Frame for certificates and trophies for award ceremony

→ ACCEPTABLE

2. The purchase cardholder purchased writing tablets, pens, mechanical pencils and paper clips for the office.

DESCRIPTION

Office Supplies

→ UNACCEPTABLE

Writing tablets, pens, pencils, paper clips

→ ACCEPTABLE

The HCO at CASC requires Cardholders to use the Purchase Card Log form attached to this Newsletter (EXHIBIT B). The Cardholder must sign the log as certification that all transactions are completed according to policies, procedures and regulations.

Cardholders are encouraged to cite the regulatory authority and provide a justification for a purchase that a reviewer or auditor may view as questionable.

For example:

1. Use: The purchase card is used to purchase refreshments for a conference.

Log Description: Refreshments for Conference

Regulation: NOAA Travel Regulations

Chapter 301.84.11(a) - Light refreshments can be authorized for conferences where at least 50% of the attendees are in a temporary duty status

Chapter 201.74.11(b) Light refreshments can be procured by either the Citibank purchase card or convenience checks

Federal Travel Regulations

Section 201-74.11 - . . . Light refreshments for morning, afternoon or evening breaks are defined to include, but not be limited to, coffee, tea, milk, juice, soft drinks, donuts, bagels, fruits, pretzels, cookies, chips, or muffins.

The cardholder should reference the regulation and attach a copy of the text to the purchase card log or the receipt. Receipts, supporting documentation, written justifications, waivers and the signed Purchase Card Log shall be attached to the Statement of Account.

The Approving Official should approve each purchase **before** the transaction is completed. His/her signature on the Statement of Account is certification that all purchases are proper and approved. The Approving Official is responsible for filing and safeguarding the Statement of Account records for three years and three months after the end of the Fiscal Year in which the transaction occurred.

Splitting Requirements

Regulations prohibit splitting requirements. Dividing purchases into parts, to get within the micro-purchase limit or other regulatory or restricted purchase limits imposed on a delegation, is never permissible. All parts of a “need” are considered one “requirement” for one purchase. Intentionally purchasing one part of the “requirement” on one day, and another part the next day, a week later, or a month later, is splitting the requirement.

Fraud and Abuse

The Government purchase card shall be used for official, authorized purposes. Cardholders and Approving Officials are required to comply with all Federal, Departmental, and Operating Unit prohibitions, limitations and approval requirements. Both are expected to use good sound business judgment when using the card. Intentional misuse of the card is considered an attempt to commit a “felonious act of corruption” or an “attempt” to cheat the U.S. Federal Government. Otherwise, known as FRAUD.

The following are examples of acts that may be construed as “FRAUD”:

- Splitting requirements;

- Making false statements as to how the card is used;
- Making false statements on the purchase card log;
- Using the card for prohibited purchases.

The following are examples of the “CONSEQUENCE” that may result from fraud and abuse:

- Immediate cancellation of the purchase card;
- Suspension of Approving Official appointment;
- Disciplinary action authorized under DAO 202-751, Discipline (Reference: <http://www.doc.gov/bmi/daot.htm>);
- Personal liability to the Government for the amount of any unauthorized transaction;
- Fines of more than \$10,000 and/or imprisonment for up to five years.

VISA Checks

The Financial Management Division (FMD) issues VISA checks to the Line Offices for emergency payments when a vendor will not accept a purchase order or purchase card, and no other means of payment can be accomplished. In recent audits, the FMD found instances where the check is being used inappropriately. The checks have been used to purchase unauthorized items and services, and to pay vendors who otherwise would accept the purchase card or a purchase order. Such abuse and misuse may be construed as fraud and responsible individuals are subject to the consequences addressed in the previous paragraph.

Check holders should review the guidelines published on the CASC FMD website at www.casc.noaa.gov. Questions may be directed to John Tomlin, CASC FMD, at telephone number (816) 426-5873 ext 411.

Travel Card

Individuals who are assigned a Government Travel Charge Card are expected to be familiar with Federal Travel Regulations, policies and procedures. The Travel Card is to be used only for those expenses associated with official travel, such as transportation, lodging, meals, and incidentals. The cardholder is personally liable for all charges made on the travel charge card. Failure to comply with regulations, policies and procedures may result in Disciplinary action. Additional information is available at the following website: <http://www.ofa.noaa.gov/~finance/treg.htm>. Questions may be directed to either of the individuals listed below.

Judy Bates (816) 426-5873 ext 414
Sara Bradley (816) 426-5965 ext 431

Updated Index

This HCO Newsletter, Number 2002-02 has been added to the “HCO NEWSLETTER INDEX” in ATTACHMENT 1.

If you have questions or comments about this HCO Newsletter, or if you know someone who would like to be added to our mailing list, please contact Gary Scibona at (816) 426-7456, extension 240 or email Gary.Scibona@noaa.gov.

Exhibit A

[illegible]

EXHIBIT B

PURCHASE CARD ORDERING LOG									
NAME			OFFICE				FISCAL YEAR		
Log #	Date Ordered	Date Received	Description	Merch ant Name	Acctg Code Org/Task	Total Order Dollars	Cumulative Order Totals for Cycle	Object Class	Property ID No.

I certify that I have purchased the above supplies or services in accordance with the Department of Commerce purchase card procedures. I certify that, to the best of my knowledge and belief, all of my statements are true, correct, complete, and made in good faith and subject to Title 18 U.S. Code, Section 1001.

Cardholder's Signature _____

Date_____

HCO NEWSLETTER INDEX

ISSUE NUMBER	ISSUE DATE
2001-01	April 18, 2001
Purchase Card Program Policy and Procedures	
Cardholder Responsibilities	
Approving Official Responsibilities	
Approving Officials Monthly Approval Process	
Sales Tax Not Allowed on Government Purchases	
Security Issues	
Purchase Card Ordering Logs	
Required Sources of Supply	
Use of Small Businesses	
2001-02	May 31, 2001
CAMS/Commerce Purchase Card System Issues	
Disputed Transaction	
A "Swept Transaction"	
Default Accounting Codes and Accounting Code Changes	
in the Commerce Purchase Card System (CSPS)	
CSPS Sweep Dates	
Contracting Officer's Technical Representative (COTR) Training	
Procurement Cut-Off Dates	
Delinquent Purchase Card and Approving Official Training Certifications	
2001-03	July 31, 2001
Section 508	
Purchase Card Separation/Clearance Forms Crossing ASC's	
Implementation of the Commerce Standard Acquisition Reporting	
System (CSTARS) - Initialization at CASC	
Personal Property Lease Checklist	
Unauthorized Procurement - Ratifications	

HCO NEWSLETTER INDEX

<u>ISSUE NUMBER</u>	<u>ISSUE DATE</u>
2001-04	September 17, 2001
Procurement Request Package Socio-economic Goals “Lessons-Learned” from Purchase Card Audits Access to CitiDirect	
2002-01	December 11, 2001
Commerce Standard Acquisition and Reporting System (CSTARS) Award Form Document Numbering Format Accounting Data Receiving/Rejection Certification HCO Newsletter Index of Topics	
2002-02	March 25, 2002
Delegation of Procurement Authority SF281, Federal Procurement Data System Summary Contract Action Report Purchase Card Procedures Training Record Keeping Splitting Requirements Fraud and Abuse Visa Checks Travel Card	